

After BP announced its intention to move forward with a payment to shareholders Tuesday, Rep. Peter Welch (D-Vt.) and a coalition of House members called on CEO Tony Hayward to suspend dividend payments and advertising campaigns until it remedies the environmental disaster it caused in the Gulf of Mexico.

In a letter to Hayward, Welch took BP to task for diverting its resources away from the ongoing recovery effort and directing them to halt profit payouts and public relations campaigns. Also leading the effort were Chairman Ed Markey (D-Mass.), Rep. Lois Capps (D-Calif.) and more than 29 other members of Congress.

"We urge you to halt your planned dividend payout and cancel your advertising campaign until you have done the hard work of capping the well, cleaning up the Gulf Coast and making whole those whose very livelihoods are threatened by this catastrophe," the members wrote. "Not a moment before then should you return to business as usual."

BP announced Tuesday morning that it would move forward with an annual \$10 billion dividend payment announced a week after the Deepwater Horizon explosion. According to press reports, the company has launched a \$50 million television advertisement campaign, along with full-page ads in major newspapers.

A Credit Suisse estimate pegs the potential cost of the recovery effort as high as \$37 billion if the well is capped in August.

"As oil continues to gush into the Gulf, BP is mistakenly focused on protecting the well-being of its shareholders and its image. Tony Hayward ought to be marshalling all of his company's resources on capping the well and cleaning up the Gulf – not frivolous PR gambits and investor relations," said Welch, a member of the House Energy and Commerce Committee. "This simply has to stop."

"BP's number one priority should be paying every nickel it owes to the people of the Gulf Coast,

not handing out billions in shareholder dividends. Right now, BP needs to be investing in stopping this spill and cleaning up the Gulf not lining the pockets of its shareholders," said Markey, chairman of the Select Committee on Energy Independence and Global Warming.

"There should not be a single cent spent on television ads or stock dividends until the leaks are stopped, the spill contained and its aftermath addressed. If BP is so concerned about its public image, it should get the hole completely plugged and clean up the big mess the company has made," said Capps, also a member of the House Energy and Commerce Committee.

Members signing the letter included: Reps. Peter Welch, Ed Markey, Lois Capps, John Hall, Paul Tonko, Bill Delahunt, Chris Van Hollen, Steven Rothman, Jim Langevin, Tim Bishop, Raul Grijalva, James McGovern, Maurice Hinchey, Charlie Melancon, Betty Sutton, Pete Stark, Frank Pallone, Doris O. Matsui, Jan Schakowsky, Jared Polis, Mazie Hirono, Steve Israel, Russ Carnahan, Jackie Speier, Chet Edwards, John Olver, Rush Holt, Dennis Cardoza, Earl Pomeroy, Keith Ellison, Louise Slaughter, Mike Michaud, Steve Cohen, Bill Owens, Ron Kind, Rosa L. DeLauro, Anna G. Eshoo, George Miller, Bob Filner, Sander M. Levin, Ben Ray Lujan, Leonard Boswell, Mike Honda, Ed Pastor, Jim McDermott, John A. Yarmuth, Deborah L. Halvorson, Phil Hare, and Charles A. Wilson.

The letter is copied below:

Dear Mr. Hayward,

As BP presides over one of the greatest environmental and economic catastrophes of our time, we find it troubling that your company plans to divert financial resources to shareholder dividends and slick marketing campaigns.

Even as oil threatens to flow into the Gulf of Mexico for months to come, press reports indicate that you hope to distribute \$10 billion in dividends to shareholders before the full cost of this devastating oil spill is known. At the same time, your company has launched an aggressive public relations campaign, with full page ads in major newspapers and a reported \$50 million television blitz.

Welch calls on BP to suspend dividend payments and marketing campaigns

Tuesday, 08 June 2010 00:00

We urge you to halt your planned dividend payout and cancel your advertising campaign until you have done the hard work of capping the well, cleaning up the Gulf Coast and making whole those whose very livelihoods are threatened by this catastrophe. Not a moment before then should you return to business as usual.